

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Kvaerner

West Virginia Manufacturing Extension Partnership

Market Analysis Helps Kvaerner Pulping Grow Sales

Client Profile:

Kvaerner Pulping, Inc.'s Power Division produces power boilers, accessories for the boilers, and spare parts. The facility in Fairmont, West Virginia produces boiler tube shields and air supply duct expansion joints for boilers primarily fired by solid fuels such as coal, wood, and refuse. This location services markets nationwide and employs less than 20 people.

Situation:

Kvaerner Pulping's Fairmont plant has many repeat customers who are generated through a network of independent sales representatives. After comparing the customer list to its new growth strategy, Kvaerner Pulping felt the need to expand the customer base and gain access to a larger portion of the available market. The company contacted the West Virginia Manufacturing Extension Partnership (WVMEP), a NIST MEP network affiliate, for assistance.

Solution:

WVMEP conducted meetings with Kvaerner Pulping's management team to obtain an understanding of the business and identify the key customer markets. During these discussions, it became apparent that the company was only providing service to the largest of the operators in the area of refuse-fired power generating facilities. WVMEP proposed two projects aimed at expanding Kvaerner's customer base and gaining a deeper market penetration.

The first project, targeted to broaden the customer base, identified all coal and coal by-product fired power generating facilities in the United States. WVMEP broke down this information into geographic regions, which Kvaerner assigned to its sales representatives by territory. The company used the geographic data to decide which areas held the greatest potential for expanding the business.

To increase Kvaerner's penetration into its primary market of refuse fired boilers, the second project identified all power generating facilities in the United States fired by refuse, wood, wood by-products, or other solid fuels. WVMEP broke down this information into the same geographic regions as the first, analyzed it for growth potential, and divided geographies among the company's sales representatives.

The information in both projects provided Kvaerner with the name and location of each facility; start-up year; generating capacity; type of fuel; and owner/operator. This information will allow Kvaerner to develop a target list

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based on its analysis of potential business in each region.

Results:

Obtained information that facilitates expansion into previously untapped markets.

Analyzed information that will increase penetration in primary market area.

Restructured sales metrics to track the effectiveness of sales representatives by region.

Used market data to identify gaps in marketing plans.

Testimonial:

"The information presented in the marketing research projects provides an abundance of potential new customers for our business. As soon as we have the information added to our client tracking database, we will be able to begin developing untapped markets and increasing our share in existing markets. [The West Virginia Manufacturing Extension Partnership's] reports were thorough and presented in a very usable and easy to understand format."

Charles Kuretza, Operations Manager